

ND RETIREMENT AND INVESTMENT OFFICE

1/15/2009

Balance Sheet As of 11/30/2008

	As of <u>11-30-08</u>	As of <u>6-30-08</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 1,044,561,501	\$ 1,603,374,536
INTERNATIONAL EQUITIES	482,936,826	751,763,915
DOMESTIC FIXED INCOME	1,797,442,265	2,116,937,618
INTERNATIONAL FIXED INCOME	172,310,655	193,480,800
REAL ESTATE	413,071,123	433,101,768
ALTERNATIVE INVESTMENTS	193,454,276	203,274,502
INVESTED CASH (NOTE 1)	<u>56,896,656</u>	<u>82,143,865</u>
 TOTAL INVESTMENTS	 4,160,673,302	 5,384,077,004
 RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	19,649,128	22,250,668
CONTRIBUTIONS RECEIVABLE	1,159,675	8,065,995
MISCELLANEOUS RECEIVABLE	<u>9,701</u>	<u>10,464</u>
 TOTAL RECEIVABLES	 20,818,504	 30,327,127
 OTHER ASSETS		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	165,726,976	193,890,417
OPERATING CASH	10,101,227	11,236,491
FIXED ASSETS (NET OF ACCUM DEPR)	<u>555,989</u>	<u>555,989</u>
 TOTAL ASSETS	 <u>\$ 4,357,875,998</u>	 <u>\$ 5,620,087,028</u>
 LIABILITIES:		
SECURITIES LENDING COLLATERAL (NOTE 2)	165,726,976	193,890,417
ACCOUNTS PAYABLE	25,399	87,142
ACCRUED EXPENSES	465,682	550,970
CAPITAL LEASE PAYABLE	0	0
INVESTMENT EXPENSES PAYABLE	<u>6,777,563</u>	<u>6,781,460</u>
 TOTAL LIABILITIES	 172,995,620	 201,309,989
 NET ASSETS AVAILABLE:		
NET ASSETS AVAILABLE BEGIN OF YEAR	5,418,777,039	5,653,845,145
CASH IN DURING YEAR (NOTE 3)	139,798,000	457,757,640
CASH OUT DURING YEAR (NOTE 4)	177,156,254	402,350,350
NET INCREASE (DECREASE)	<u>(1,196,538,407)</u>	<u>(290,475,396)</u>
 NET ASSETS AVAILABLE END OF PERIOD	 <u>4,184,880,378</u>	 <u>5,418,777,039</u>
 TOTAL LIABILITIES & NET ASSETS AVAILABLE	 <u>\$ 4,357,875,998</u>	 <u>\$ 5,620,087,028</u>

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1/15/2009

Profit and Loss Statement
For the Month Ended 11/30/2008

	Month Ended <u>11-30-08</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 9,632,672	\$ 55,403,578
SECURITIES LENDING INCOME	<u>363,026</u>	<u>2,042,167</u>
	9,995,698	57,445,745
GAIN ON SALE OF INVESTMENTS	274,642,836	510,708,954
LOSS ON SALE OF INVESTMENTS	<u>409,234,138</u>	<u>749,312,373</u>
NET GAINS (LOSSES) INVESTMENTS	(134,591,302)	(238,603,419)
INVESTMENT EXPENSES	2,468,333	10,141,274
SECURITIES LENDING EXPENSES	<u>161,974</u>	<u>1,451,545</u>
NET INVESTMENT INCOME	(127,225,911)	(192,750,493)
NET APPREC (DEPREC) MARKET VALUE	(55,231,702)	(973,113,449)
MISCELLANEOUS INCOME/(EXPENSE)	<u>191,599</u>	<u>1,282,774</u>
TOTAL INVESTMENT INCOME	(182,266,014)	(1,164,581,168)
CONTRIBUTIONS & ASSESSMENTS (NOTE 5)	6,594,138	16,915,655
PURCHASED SERVICE CREDIT (NOTE 6)	71,519	1,444,894
PENALTY & INTEREST (NOTE 7)	<u>535</u>	<u>2,534</u>
TOTAL ADDITIONS	<u>(175,599,822)</u>	<u>(1,146,218,085)</u>
DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 8)	9,421,826	47,373,698
PARTIAL LUMP SUM BENEFITS PAID	0	576,203
REFUNDS TO MEMBER (NOTE 9)	<u>574,034</u>	<u>1,599,302</u>
TOTAL BENEFITS PAID	9,995,860	49,549,203
ADMINISTRATIVE EXPENSES	234,620	771,119
TOTAL DEDUCTIONS	<u>10,230,480</u>	<u>50,320,322</u>
NET INCREASE (DECREASE)	<u>\$ (185,830,302)</u>	<u>\$ (1,196,538,407)</u>

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1/15/2009

Notes To Financial Statements

November 30, 2008

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 **INVESTED CASH**

Pension Cash Pool invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company.

NOTE 2 **SECURITIES LENDING COLLATERAL**

Securities are loaned versus collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus any interest. Non-U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus any accrued interest. Non-cash collateral cannot be pledged or sold unless the borrower defaults. Cash open collateral is invested in a short term investment pool.

NOTE 3 **CASH IN DURING YEAR**

Cash transferred into investment accounts at The Northern Trust Company during the current fiscal year.

NOTE 4 **CASH OUT DURING YEAR**

Cash transferred out of investment accounts at The Northern Trust Company during the current fiscal year.

NOTE 5 **CONTRIBUTIONS**

Contributions on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution of 15.5 percent that must be remitted monthly.

NOTE 6 **PURCHASED SERVICE CREDIT**

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

NOTE 7 **PENALTY & INTEREST**

Amounts charged to school districts for late payment or reporting of contributions.

NOTE 8 **BENEFITS PAID TO PARTICIPANTS**

Monthly annuity benefits paid to retired teachers on the first of each month.

NOTE 9 **REFUND TO MEMBERS**

Refunds of teachers' accounts who have ceased teaching in North Dakota.